

19 August 1970

MEMORANDUM FOR THE RECORD

SUBJECT: Minutes of the Meeting [REDACTED] 18 August 1970

PRESENT: Mr. Kissinger, Mr. Mitchell, Mr. Packard, Mr. Johnson,
Admiral Moorer, and Mr. Helms.

Ambassador Joseph Palmer, Ambassador C. Robert Moore,
and Mr. John Anderton were present for Item 1.

Mr. William Wells was present for Items 2 through 5.

Mr. Cord Meyer and Mr. Wymberley Coerr were present
for the entire meeting.

1. Libya - Result of Ambassador Palmer's Visit

a. The session on Libya opened with a tour d'horizon on that country
by Ambassador Joseph Palmer, who was on a TDY trip to Washington. Among
the factors he cited were the following:

- (1) The young regime (oldest 28 and youngest 24) seems to
be solidly established.
- (2) The anti-foreign devil thrust has begun to diminish.
- (3) The motivation of any future nationalization of oil is
essentially a desire to control their own resources.
Envisioned cutbacks of oil production are really for
conservation--to spin out the estimated 18-year life
of the oil supply. The Libyans are insistent on obtain-
ing the same resource data as the oil companies would
have for the United States. The companies in question
have not been especially forthcoming.
- (4) On the other hand:
 - (a) There is some lessening of suspicion of Americans.
 - (b) A negotiated settlement on the posted price of oil
remains a possibility.
 - (c) One of the greatest opportunities of the U.S. is
in post-aid technical assistance; the Libyans want
and appreciate our technological prowess.

[REDACTED]
[REDACTED]
See Special Minutes
for Additional Items

- (d) Most of the Libyan students seeking education outside the Arab world will come to the United States. (Here, the Chairman interposed a serious question: Since 1968, far-left, anti-American forces have concentrated on foreign students--others in the USA tend to ignore them and there is a very good chance that radical activists will emerge from this American exposure who will work against all U.S. interests. The irony was cited of students from lesser developed countries returning from Moscow somewhat disillusioned with Marxism but returning from the USA well fired up to challenge the existing order. The Chairman mentioned Mobutu, who no longer wanted to risk sending Congolese students to the States. Mr. Kissinger said that this question transcended [REDACTED] but attention should be paid.)
- (e) The Soviet arms deal (following bickerings with British and French) was a straight cash arms deal without Soviet technical personnel being involved thus far.

b. In regard to Option 1-A, the Ambassador made himself clear:

(1) [REDACTED]

(2) [REDACTED]

(3) [REDACTED], he was in favor of:

- (a) encouraging good relations with the regime;
(b) improving ties with Morocco and Tunisia;

(c) [REDACTED]

(d) [REDACTED]

(e) [REDACTED]

(f) [REDACTED]

c. There was a lengthy exchange on [REDACTED]

d. [REDACTED]

e. In summing up, Ambassador Palmer requested a period of time in which to work [REDACTED]
[REDACTED] Once more it became apparent that procedures are actually subservient to personalities and that, in most instances, individuals will work out their own problems.

Distribution

Mr. Mitchell
Mr. Packard
Mr. Johnson
Admiral Moorer
Mr. Helms

[REDACTED]
[REDACTED]
[REDACTED]

7 JUL 1970

MEMORANDUM [REDACTED]

SUBJECT : Status Report on [REDACTED] Action:
Libya - June 1970

[REDACTED] directed that Libyan developments be reviewed periodically at approximately three-month intervals. The short term outlook for Libya, the actions taken in support of Option 1-A (see attachment for elaboration of this Option) and the nature of additional [REDACTED] activity which might be taken to influence the Libyan Arab Republic Government (LARG) are outlined below for further [REDACTED] consideration.

I. SHORT TERM OUTLOOK FOR U. S. INTERESTS IN LIBYA

In an up-dating of the December 1969 National Intelligence Estimate (NIE) 36.5-69, prepared on 6 May 1970, the Office of National Estimates concluded that the earlier assessment which stated that "the main interests of the U. S. are not endangered by the new government in Libya" remained valid but conceded that "there are, however, many potential problem spots in U. S. -Libyan relations." Ambassador Palmer, reporting in a message to the Department of State on 8 June 1970, concluded: "On balance, we see no hard evidence at this time that the Libyan Government (LARG) intends a precipitate early break in relations, except as it may see its options

*At 7 August 1970 [REDACTED]
meeting, newson asked conduct of
Option 1-A be suspended until
discussed with Amb. Palmer.
To be discussed at the next
[REDACTED] meeting.*

[REDACTED]
[REDACTED]
[REDACTED]

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foreclosed by some development in the Middle East area or our Middle East policy. "

In spite of these cautiously optimistic judgments, the public posture of the Libyan Revolutionary Command Council (RCC) has been increasingly hostile to U. S. interests in Libya; the Egyptian presence in Libya has grown, and the Libyans have taken modest steps to expand their relations with the USSR. While maintaining a rather inflexible position in negotiations with the oil companies on posted prices, the LARG has harassed Occidental Petroleum and Amoseas by decreeing sharp cutbacks in production and blocked exports on liquified natural gas from Esso's newly completed plant. Steps have been taken toward closer coordination of policies with the UAR and Sudan, and UAR military forces and training facilities in Libya have reportedly been augmented. Partially as a bargaining tactic with the U. S. oil companies, the LARG flirted with the Soviet Union by sending its Minister of Petroleum to Moscow and welcoming a Soviet geological survey team in Libya shortly thereafter.

In none of these areas has there been a significant development that dramatically alters the situation that existed in February 1970 when the [REDACTED] approved Option 1-A. Events in the Middle East

[REDACTED]

[REDACTED]
ONLY

~~SECRET~~
~~EYES ONLY~~

during this period have, however, produced a further erosion in the U. S. position. The policies of the Libyan regime vis-a-vis the United States will be significantly influenced by the course of the Middle East crisis surrounding the Arab-Israel war and the Palestine problem. For example, a decision to sell Phantoms to Israel, or a decision not to deliver those F-5's for which the LARG has contracted, will have an important impact on U. S. -Libya relations.

[Omitted here are specific actions taken in support of Option No. 1-A]